

HISTORIC PRESERVATION

PRESERVING THE PAST TO ENRICH THE FUTURE

Farmers Alliance Bldg, Paso Robles, CA



Photo by Sal Crespo, Jan. 2005

INTRODUCTION

The County of San Luis Obispo possesses a mixture of natural beauty with generally moderate climatic conditions that have made it a desirable location for human habitation for thousands of years. The rugged mountains contribute to both the existence of local microclimates which favors a variety of agricultural opportunities, and challenging overland access which has historically limited development and population growth. Ocean access has provided sources of food, resources for trade and transportation to distant markets.

The pattern of steady but limited growth has left distinct communities intact, each with a unique history of settlement and development. As a result, the county has become a desirable destination, both for tourists and for prospective new residents seeking refuge from a more hectic metropolitan life. This combination of tourism and a growing influx of new residents has contributed to a strong desire among many to have the area maintained largely as it is, while others have come to accept the need for change as part of the cost of providing new jobs and maintaining the health of existing local businesses that are not directly supporting tourism.

Often residential neighborhoods and commercial communities in the county still contain many older buildings due to the slow pace of development. Unlike some other parts of California, this county gives visitors a ‘going back in time’ feel, caused in large part by the prevalence of intact historic structures. Residents have sensed the need for identifying and defining the historic character of areas within their communities, and cataloging significant historic buildings, both commercial and residential. All communities in the county, however, do not approach the issue of historic preservation in the same way.

Private preservation efforts, beginning perhaps with Mt. Vernon in 1848, eventually led to the National Historic Preservation Act of 1966, which requires states to administer the federal program. California law gives local governments tools to help identify cultural resources and provide incentives for rehabilitation and maintenance, while seeking a balance between property rights and the public’s interest in preserving local heritage.

ORIGIN

The Grand Jury elected to inquire into the purchase of the Farmers' Alliance Building, Paso Robles, by the Smart & Final Corporation in March, 2005 and the ultimate decision of Paso Robles' City Council, denying the issuance of a demolition permit which would have enabled Smart & Final to build a new store.¹ The investigation into this City Council action included an inquiry concerning Paso Robles' process for identifying historic resources. The Grand Jury then began an investigation of other communities in San Luis Obispo County and their processes for identifying and preserving historic resources.

METHOD

Grand Jurors interviewed Smart & Final's Corporate Vice President for Construction and Purchasing along with the Director of Community Development for Paso Robles. They collected past and present data concerning historic relevance, City Council actions and how Paso Robles' procedures for designating historical significance compares with that of other San Luis Obispo cities and San Luis Obispo County (for the unincorporated areas).

¹ The Paso Robles City Council was supportive of Smart & Final coming to town and encouraged them to consider a restoration and adaptive reuse of the Farmers' Alliance Building. However, Smart & Final did not believe it was economically feasible to do so.

NARRATIVE

In 1891 heavy rainfall led to record wheat crops, prompting San Luis Obispo and Monterey County farmers to come together and form the Farmers Alliance Business Association (FABA) for the purpose of building a warehouse in Paso Robles and utilizing the railroad to ship their grain. They purchased land and developed the site fronting the Southern Pacific sidetrack that served local facilities of a competitor, Southern Pacific Milling. The competitor denied FABA the use of their sidetrack and FABA filed a grievance with the newly formed California State Railroad Commission. In August, 1891 the Commission voted that the Alliance was equally entitled to use the tracks with the Southern Pacific Milling Company. This ruling helped save FABA while establishing a tradition of supportive agricultural cooperation in California.

Paso Robles, once known as the “Almond Capital of the World,” is home to the building now known as the Farmers’ Alliance Building. In 1922, the building was constructed as the Paso Robles Almond Growers’ warehouse and processing plant. In 1936, the FABA expanded warehouse operations and purchased this building, just blocks away from its original site, which then became a cornerstone for the FABA’s processing operations. It functioned through the last half of the Great Depression, World War II and into the prosperity of the 1950’s. The FABA owned the warehouse until 1975 when, vacated and not used again until June 27, 1985, a Grant Deed was filed in the County of San Luis Obispo in favor of a William Jacobson, who retained the property under the name “Riverside Centre” until March 2, 2005 when it was sold to the Smart & Final Corp., City of Commerce, California.

Prior to the purchase, Smart & Final attempted to do their due diligence. A representative from Smart & Final reported to the Grand Jury the following events: In May, 2004 the company discussed the subject site with the city’s Associate Planner and asked whether they would be able to build a Smart & Final store on the site and if the site had historical significance. The Associate Planner responded that the site was not historically significant, and that the company could build what they were requesting, as long as they followed the Table of the Land Use requirements. On September 24, 2004 Smart & Final returned to the city and the same Associate Planner repeated/reassured them that the demolition permit would not be a problem. On

December 16, 2004 Smart & Final met with several Paso Robles departments, including Planning (both the Community Development Director and Associate Planner), and no indications were given that the project could not proceed as envisioned. Based on information received from the City of Paso Robles, Smart & Final proceeded with the purchase and escrow closed on March 5, 2005.

In September, 2005 The City of Paso Robles printed a notice of Smart & Final's demolition permit request in the San Luis Obispo *Tribune*, as required by Municipal Code chapter 17.16. The notice generated approximately seven² e-mails/letters from concerned citizens imploring the council to disallow the permit.

A public hearing was held on October 4, 2005. The outcome of which was to direct the preparation of an historical evaluation on the Farmers' Alliance Building.

In November, 2005 The City of Paso Robles sent Smart & Final a request for \$50,000 to cover the cost of a comprehensive "Historic Significance Report" by the "Historic Resources Group," Los Angeles, California. In July, 2006, based on the "Historic Significance Report," the Paso Robles City Council denied Smart & Final's demolition request.

On December 6, 2006, San Luis Obispo Grand Jury members met with the Community Development Director, City of Paso Robles, and inquired into the manner in which the city processes and allows demolition permits, specifically with regard to Smart & Final. At that time, the Community Development Director replied that the City Council acted within its jurisdiction and guidelines. The Grand Jury was supplied with copies of the City's process for building demolitions, CEQA legislation regulating demolition of historic resources, and copies of documents related to demolition requests for other buildings in Paso Robles.

² The Paso Robles Community Development Director, on May 3, 2007, indicated that there were nine emails/letters. However, when the Grand Jury originally asked for copies, only seven documents were supplied to us.

TIME LINE OF EVENTS

The following time line of events helps to explain the history of the Farmers' Alliance Building, as well as other buildings in Paso Robles which may have historical significance:

- 1922—Farmers' Alliance Building (as currently known) was constructed and completed as a warehouse and distribution facility for the Paso Robles Almond Growers' Association.
- 1936—Farmers Alliance Business Association purchased the building.
- 1975—Building became vacant.
- 1978—Permit issued for interior work for office space.
- 1985—William Jacobson (known as "Riverside Centre") purchased building.
- 1987—Permit issued for electric meter installations.
- 1988—Permit issued for re-roofing.
- 2001—Permit issued for cellular equipment work.
- December 16, 2004—Smart & Final's Vice President submitted to Paso Robles Acting Community Development Director plans to demolish the FABA building and replace it with a new structure, leaving the tower section, if structurally sound, for use by the Smart & Final store. Per Smart & Final, he "met with several departments, including planning" ("head planner and associate planner"). "We really never got a negative response from the city nor did they provide us with a letter indicating either a positive or negative response to our proposal."
- March 2, 2005—Escrow closed between sellers, Jacobson (Riverside Centre), and buyers, Smart & Final.
- Owners of other structures in Paso Robles requested and received demolition permits:
 - April 5, 2005: 2127 Oak Street, Paso Robles, application for demolition permit granted (structure included in City's 1984 Historic Resources Survey and Inventory.).
 - April 19, 2005: 1344 Oak Street, Paso Robles (Methodist Church), application granted for demolition permit (structure included in City's 1984 Historic Resources Survey and Inventory).
 - June 21, 2005: 1319 Spring Street, Paso Robles, application for demolition permit granted (structure included in City's 1984 Historic Resources Survey and Inventory).

- August 2, 2005: 733 23rd St., Paso Robles (Mennonite Church), application to expand outdoor playground for pre-school. Permit for expansion was granted (structure included in City's 1984 Historic Resources Survey and Inventory).
 - September 12, 2005—Smart & Final filed demolition application with city to remove the building and tower based on conceptual drawings for a new building with a new tower.
 - September 14, 2005—Notice of Public Hearing regarding demolition application appeared in the *Tribune*.
 - October 4, 2005—Seven (see footnote 2) emails/Faxes were received between 11:30 am and 5:01 pm by City Council from concerned local citizens and others. No previous correspondence was received from citizens regarding this matter. See Appendix A for times received).
 - October 4, 2005—Per City Council minutes, “The building that is proposed for demolition [i.e., the building that was the subject of Smart & Final's demolition request] was previously listed in the City Inventory of Historic Resources, although at this time the information is missing from the inventory.”
 - November 29, 2005—Letter from City of Paso Robles to Smart & Final requesting \$50,000 for making bids to five firms with experience in historic resource evaluation.
 - January 20, 2006—City of Paso Robles hired Historic Resources Group to prepare an historic evaluation report on the Farmers' Alliance Building.
 - June 23, 2006—City of Paso Robles received report from Historic Resources Group finding that Farmers' Alliance building meets the criteria for listing on the National Register of Historic Places and California Register of Historic Places and therefore is considered a historic resource subject to the CEQA process.
 - July 5, 2006—City Council adopted a resolution stating the Farmers' Alliance Building is a historic site that meets criteria for listing on national and state registers of historic places and directing staff to add the building to the City's Inventory of Historic Resources. City Council then denied the demolition permit requested by Smart & Final.
- As the above time-line shows, several other permits for demolition or expansion of facilities for buildings on the City's Historic Resources Survey and Inventory were granted. None of those applicants were requested to either deposit funds or provide historic resource evaluations. Smart & Final, however, was treated differently. After citizens complained

about the proposed demolition of the Farmers' Alliance Building, the company was required to obtain a \$50,000 historical evaluation and, based on the results of that evaluation, their demolition permit was denied, even though the building was not currently included on the City's Inventory of Historic Resources. City Council action on July 5, 2006 placed it there.

The Grand Jury requested from the Paso Robles Community Development Director documentation pertaining to the process of denying or approving demolition requests for the Farmers' Alliance Building and the other four properties mentioned earlier in the time line. Only the farmers' Alliance documentation included the public notice required by CEQA.

UPDATED RESPONSE SINCE GRAND JURY'S INQUIRY FROM COMMUNITY DEVELOPMENT DIRECTOR, PASO ROBLES:

The Grand Jury received the following information, dated March 16, 2007, from Paso Robles' Community Development Director: "As a follow-up action to the Council's July 5, 2006 decision to designate the Farmers' Alliance Building as historically significant, the Council directed staff to explore and report back on the process to update the City's Inventory of Historic Resources and adopt a Historic Preservation Ordinance. Staff has received a preliminary scope of work and cost estimate to do so and will be presenting it to the Council for consideration as part of their 2007-09 budget. Budget adoption is still a few months away and we are unsure at this time how this program will compete with many other worthwhile community goals. You will see that all demolition requests followed the same process contained in Chapter 17.16 of the Municipal Code. The different outcomes related to the historic significance of the buildings."

OTHER CITIES AND UNINCORPORATED AREAS

SAN LUIS OBISPO

For comparison purposes, the Grand Jury investigated the procedures used by other entities in the county, and the county itself, beginning with the City of San Luis Obispo. We found that inquiries to the San Luis Obispo Community Development Department's Planning Staff regarding possible demolition of any residence or commercial structure not listed on the City Inventory of Historic Resources or List of Contributing Properties, but having potential historical significance would result in the Community Development Director requiring an initial environmental study for historic resources in compliance with the California Environmental Quality Act (CEQA). That initial study would be forwarded to the City Cultural Heritage Committee (CHC) for review and recommendations. While approval of demolition is possible in cases of threat to the health, safety and welfare of the community, or where rehabilitation is economically infeasible, we found it likely that in the case of a structure such as the Farmers' Alliance building, the initial recommendation would be to seek alternatives, with demolition as the least favored option. A free brochure entitled *Owning and Renovating Historic Property in the City of San Luis Obispo* is available in the lobby of the Community Development Department which summarizes the above described procedures.

The City of San Luis Obispo created a Cultural Heritage Committee in 1981 consisting of seven volunteers, appointed by the City Council, and one City Planning Staff member whose duties include maintaining and updating a Master List of Historic Resources and a List of Contributing Properties, first published in 1983, that currently total about 725 structures. The CHC makes recommendations to the City Council on any renovation or demolition project on listed structures, nominations for additions to the lists, and other related matters the Council may so direct.

In 1987, the City established by resolution an Historical Preservation Program that defined three historic districts, with a fourth added in 1994, and published *Historical Preservation Program Guidelines* which provide a variety of information and assistance to anyone seeking to purchase or renovate an historic property.

Owners of qualifying historic properties within the city who agree to renovate and maintain that property for a period of at least ten years may apply for property tax relief under the terms of the statewide Mills Act of 1972, which the City of San Luis Obispo adopted by resolution in the late 1990's. Of all the adjoining counties, only the Cities of San Luis Obispo and Monterey, and the County of Monterey have qualified to participate in tax abatement offered by Mills Act contracts. Currently, 82 cities and counties in California participate, and the City of San Luis Obispo has 25 such contracts with property owners, out of about 2,500 statewide.

Renovation projects of qualifying properties may use the State Historical Building Code (SHBC) which allows for reasonable alternatives based on performance rather than the strict prescriptive Uniform Building Code (UBC). Also, the SHBC does not automatically call for a full upgrading of a facility undergoing a partial renovation as required in the UBC. The City of San Luis Obispo Planning staff routinely recommends the SHBC and city inspectors are familiar with it. The Grand Jury believes the Historical Preservation Program in the City of San Luis Obispo is the best historic preservation program in the county and can serve as a model for other local communities. However there are additional steps available, beyond what San Luis Obispo has taken. One such step would be the Certified Local Government (CLG) Program established by the National Historic Preservation Act of 1966 as amended in 1980. The 53 cities and counties in California that are CLGs are eligible to apply annually for federal grants from the Historic Preservation Fund, and receive technical assistance and training for local staff and volunteers. Some of the qualifications for CLG status are, upgrading the local CHC to commission level by ordinance, committing to annual training sessions for each commissioner, and establishing an Historical Preservation Program as an ordinance.

In addition to investigating how the cities of San Luis Obispo and Paso Robles determine whether a resource has historic significance, the Grand Jury inquired about similar processes in the other cities within the county, and in the county government itself with respect to the unincorporated area of the county. Below are brief summaries of each city's and the county's process to determine if a resource has historic significance. These summaries are brief because

they are essentially how the cities and county described their processes, in writing, to the Grand Jury.

Arroyo Grande

The first source of information used to determine if a building has historical significance is the city's 1991 Historical Resource Survey. In 2003 the city expanded the survey area. If a building lies outside the overlay district the Community Development Director determines whether or not an archeological report is required. In 2005 the city created an Historical Resources Committee (HRC), but appointment of the HRC members did not take place until January 23, 2007. The role of the HRC is to assist the Community Development Director with additional surveys and determination of historical resources. Implementation of a new process and development of criteria for determination of local historical resources is thus under way.

Atascadero

The city's General Plan includes "Goals and Policies re: Historical Buildings/Cultural Resources." In the 1990s the Atascadero Historical Society inventoried historic houses, known as "Colony Homes." They are included in the city's Geographical Information System (GIS) which provides map details based on satellite information. When an application for development or demolition is received, Planning Department staff checks the application against the GIS map. Staff also reviews all buildings in excess of 50 years old, including the architectural quality and integrity of those buildings. If the permit request involves a listed historic building or a 50+ year old building exhibiting historical architectural quality and integrity, staff follows procedures identified in CEQA and federal standards and guidelines established by the Secretary of the Interior for Historic Preservation, which includes preparation of an historic analysis by a qualified professional.

Grover Beach:

The environmental documents prepared for the establishment of the City's Industrial Enhancement Project Area in 2002 referenced the fact that there are no buildings or sites in the City listed on the National Register of Historic Sites. The City's General Plan and Local Coastal Programs contain the following policy: The applicant for a development or demolition permit

must complete a “Development Application and Environmental Information Form.” Planning staff visit the site and take photos. Based on the application, photos, and Environmental Information Form, staff determines if further review is needed. The City has contracted with a local environmental consulting firm to provide on-call assistance with this process, when it is deemed necessary.

City staff met with the Northern Chumash Tribal Council and completed official tribal cultural awareness training.

Morro Bay

A City Planner assigned to a specific project reviews and analyzes the applicable information in the Historical Resources File System Information Center to ascertain whether the resource is cultural and listed in the California Register of Historical Resources (CRHR). If it is, then the property qualifies as a significant historical resource. If the property is not listed in CRHR, the City Planner then reviews and analyzes whether the property is listed in a local historic register or deemed significant in an historical resource survey. If the City Planner makes a determination that the property is not significant even though it is listed in a local register or survey, he or she must cite for the record the specific, concrete evidence which supports that determination.

If a resource that is not listed in, or determined to be eligible for listing in, the CRHR, is not included in a local register of historic resources, or not deemed significant in an historical resource survey, it may nonetheless be historically significant. Thus, the Planning Staff may determine that a resource of historic significance exists where none had been identified before. The City Planner utilizes recognized criteria to determine whether a previously unrecognized significant historical resource exists.

The steps described above are called an Initial Study. Based on the Initial Study, it is then determined whether to prepare a Categorical Exemption, Negative Declaration, or EIR for the project. After the City Planner prepares one of those three documents it is filed with the State Clearing House and/or the County of San Luis Obispo and legal notice is given for review and comment from any concerned members of the public.

Pismo Beach

When the city receives an application to replace or reconstruct an existing building, staff examines a title report or does a site visit. If the building is stated to be more than 50 years old or appears to be an older building, the applicant is required to provide a professional assessment of the building's age and significance. This assessment is used by the city to determine the next step.

Certain areas of the city may contain archeological material. These areas require an archeological survey (Phase One Report) with submission of the development application. For all areas in the city, work must cease if archeological material is discovered during construction.

County of San Luis Obispo

The County Planning Department deals with historic resources on two levels:

1. Recognition of a limited number of structures and sites through the application of a General Plan "H" designation, and
2. During the evaluation of individual projects through the California Environmental Quality Act (CEQA) process.

The "H" (Historic) designation in the General Plan has been applied to a limited number of sites in the unincorporated area. These designations are typically requested by property owners or communities and the designation occurs during the update of the individual planning areas. An evaluation (usually by the owner, the community, or staff) is conducted in order to support the designation. The "H" designation requires a different level of permitting for alteration or demolition, and encourages preservation of these designated structures or sites. These "H" properties constitute the County's list of historic designated properties in the unincorporated area.

Any discretionary project is also subject to environmental review under CEQA. The State CEQA guidelines include criteria for what is considered an historic resource. If a site meets any of the criteria, the impacts to the historic resource need to be considered and evaluated during the environmental review process. Due to the rather specialized nature of evaluating

potentially historic resources (e.g., historic, architectural expertise), and the need to apply the criteria consistently, the county often requires an Historic Resource Evaluation be prepared by a qualified professional. This report is used by the county in its determination as to whether a structure qualifies as an historic resource and what mitigation measure may be appropriate.

FINDINGS

1. Information pertaining to the Farmers' Alliance Building was missing from the City's Inventory of Historic Resources, per the October 4, 2005 City Council minutes.
2. The Grand Jury believes a thorough local historic preservation process would decrease the likelihood of situations similar to Smart & Final's purchase of a building they later learned they were unable to use because of its historical significance.
3. Historic Preservation Committees/Commissions appear to be a key factor in assisting local governments to identify historic resources and maintain continuity of processes across historic resources and permit applicants.
4. The provisions of CEQA are intended to assist local governments in the proper identification and treatment of historic resources consistent with Federal regulations. A significant degree of local discretion exists, however, which allows local citizens to influence the degree of preservation in their communities through their elected representatives. The Historical Preservation Program in the City of San Luis Obispo, while it does not include all possible provisions of CEQA, can serve as a model for other communities in the county, including making information available to residents.

RECOMMENDATIONS

1. The City of Paso Robles should review and improve their documentation procedures specific to their Historic Resources Survey and Inventory. (Finding 1)

2. Local governments in San Luis Obispo County that do not already have an Historic Preservation Committee/Commission should study the feasibility of creating one. Information about these committees/commissions can be obtained from the state Office of Historic Preservation (www.ohp.parks.ca.gov). (Finding 3)
3. If they are not already doing so, local communities should make available to their residents a handout/brochure containing information such as the following: (Finding 4)
 - Does the community have an historic preservation program?
 - Does the community have historic districts?
 - How does the community identify historic properties?
 - What benefits and services are available to owners of historic properties?
 - Can historic properties be changed? If so, what is the process?
 - Can historic structures be demolished? If so, what is the process?
 - What changes can be made to an historic structure without a building permit?
 - How can property owners find out more about their historic properties?

REQUIRED RESPONSES

County of San Luis Obispo

Board of Supervisors (Recommendations 2 and 3)
 Department of Planning and Building
 (Recommendations 2 and 3)

City Council and City Administrator
 for the Cities of:

Arroyo Grande (Recommendation 3)
 Atascadero (Recommendations 2 and 3)
 Grover Beach (Recommendations 2 and 3)
 Morro Bay (Recommendations 2 and 3)
 Paso Robles (Recommendations 1, 2, and 3)
 Pismo Beach (Recommendations 2 and 3)

APPENDIX A

List of e-Mails and Faxed Information Received Regarding Farmers' Alliance Building

1. October 4, 2005 11 :30 AM
2. October 4, 2005 1 :41 PM
3. October 4,2005 3:27 PM
4. October 4, 2005 Faxed letter
5. October 4, 2005 3:44 PM
6. October 4, 2005 4:22 PM
7. October 4, 2005 5:01 PM

REFERENCES

1. *California Public Resources Code*, Section 21084.1, Historic Resource Guidelines.
2. *California Environmental Quality Act (CEQA)*, Section 15300.2, Exceptions.
3. *California Environmental Quality Act (CEQA)*, Section 15300, Categorical Exemptions.
4. Remy, M. H. et al., 1999, *Guide to the California Environmental Quality Act*, Point Arena, California: Solano Press Books, 1999.
5. City of Paso Robles Municipal Code, Demolition of Buildings and Structures, Chapter 17.16.
6. Office of Historic Preservation web site: www.ohp.parks.ca.gov.